

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 1682 – SB 1384

April 6, 2011

**SUMMARY OF AMENDMENT (005863):** Deletes the original bill. Requires that photo identification licenses issued by the Department of Safety (DOS) be free of charge to persons 18 years of age and older who sign an affidavit stating that the applicant cannot afford the cost of the license and who are registered to vote in Tennessee.

FISCAL IMPACT OF ORIGINAL BILL:

Decrease State Revenue – \$1,216,700/Recurring  
Forgone State Revenue – \$237,500/FY11-12 and Recurring Every Five Years

Increase State Expenditures – \$15,200/One-Time  
\$68,800/FY11-12 and Recurring Every Five Years

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Decrease State Revenue – \$194,700/Recurring  
Forgone State Revenue – \$190,000/FY11-12 and Every Five Years Thereafter

Increase State Expenditures – \$15,200/One-Time  
\$55,000/FY11-12 and Every Five Years Thereafter

Assumptions applied to amendment:

- According to DOS, there are 640,385 currently issued identification licenses.
- Approximately 80 percent of Tennesseans 18 years of age or older are registered to vote.
- Approximately 20 percent of those are considered indigent.
- Identification license fees are \$9.50 (\$7.50 license fee + \$2.00 application fee).
- The decrease in revenue over a five-year period would be \$973,385 ( $640,385 \times \$9.50 \times 80\% \times 20\%$ ). The license is valid for five years; therefore, 20 percent will be issued per year resulting in a recurring decrease in state revenue of \$194,677 ( $\$973,385 \times 20\%$ ).
- Based on information from DOS, approximately 20,000 individuals will obtain a photo identification license who would not otherwise have applied for one.
- There will be forgone state revenue of \$190,000 ( $20,000 \times \$9.50$ ) in FY11-12 with the influx of new licenses issued. This forgone revenue will recur every five years.

- Additional forgone revenue in FY12-13 through FY15-16 from new applicants for photo identification licenses will be not significant.
- The cost to issue the new 2011 license is \$2.75 per license. There will be an increase in state expenditures of \$55,000 ( $\$2.75 \times 20,000$ ) in FY11-12 to issue the additional 20,000 licenses. These expenditures will recur every five years.
- The Department has documented \$15,150 [(130 programming hours x \$75 per hour) + (60 project management hours x \$90 per hour)] in one-time computer programming costs by an outside vendor to implement this bill.

### **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

/jaw